

HOUSE BILL 1249

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HB 52/02 - ECM

2004 Regular Session
4lr2442
CF 4lr2472

By: **Delegates Vaughn, Impallaria, McConkey, Murray, Ramirez, and Ross**
Introduced and read first time: February 13, 2004
Assigned to: Economic Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 27, 2004

CHAPTER _____

1 AN ACT concerning

2 ~~Business Occupations and Professions - Real Estate Licenses -~~
3 ~~Requirements for Licensure and Renewal~~
4 Real Estate Licenses - Licensure and Renewal - Ethics Course

5 FOR the purpose of requiring an applicant for licensure as a real estate salesperson,
6 associate real estate broker, or real estate broker to take a course in real estate
7 ethics; ~~altering the circumstances under which a real estate licensee qualifies~~
8 ~~for renewal of a license; authorizing certain licensees holding a license from~~
9 ~~another state to substitute certain clock hours of continuing education~~
10 ~~instruction; expanding the subject matter for continuing education instruction~~
11 ~~that is approved by the State Real Estate Commission; adding a requirement for~~
12 a certain course in continuing education instruction to be offered during certain
13 years, including a discussion of certain practices; ~~adding a provision through~~
14 ~~which a certain licensee may otherwise satisfy the continuing education~~
15 ~~instruction requirement; and generally relating to the licensure and renewal~~
16 requirements for real estate licenses.

17 BY repealing and reenacting, with amendments,
18 Article - Business Occupations and Professions
19 Section 17-303(d), 17-305(d), and 17-315(a), (b), and (e) (b) and (c)
20 Annotated Code of Maryland
21 (2000 Replacement Volume and 2003 Supplement)

22 BY repealing and reenacting, without amendments,
23 Article - Business Occupations and Professions
24 Section 17-303(a), (b), and (c), 17-304, and 17-305(a), (b), and (c)
25 Annotated Code of Maryland

1 (2000 Replacement Volume and 2003 Supplement)

2 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
3 MARYLAND, That the Laws of Maryland read as follows:

4 **Article - Business Occupations and Professions**

5 17-303.

6 (a) To qualify for a real estate salesperson license, an applicant shall be an
7 individual who meets the requirements of this section.

8 (b) An applicant shall be of good character and reputation.

9 (c) An applicant shall be at least 18 years old.

10 (d) An applicant shall have completed successfully:

11 (1) a basic course in real estate approved by the Commission that:

12 (I) does not require more than 60 clock hours of classroom
13 instruction; AND

14 (II) INCLUDES A 3 CLOCK HOUR COURSE IN REAL ESTATE ETHICS
15 APPROVED BY THE COMMISSION; or

16 (2) if approved by the Commission as an alternative, courses in real
17 estate subjects in any college, INCLUDING A 3 CLOCK HOUR COURSE IN REAL ESTATE
18 ETHICS APPROVED BY THE COMMISSION.

19 17-304.

20 (a) To qualify for an associate real estate broker license, an applicant shall be
21 an individual who meets the requirements of this section.

22 (b) An applicant shall meet the requirements for a real estate broker license
23 under § 17-305 of this subtitle.

24 (c) An applicant shall obtain, from a licensed real estate broker, a
25 commitment providing that the applicant shall become affiliated with the licensed
26 real estate broker as an associate real estate broker on the granting of an associate
27 real estate broker license to the applicant.

28 17-305.

29 (a) To qualify for a real estate broker license, an applicant shall be an
30 individual who meets the requirements of this section.

31 (b) An applicant shall be of good character and reputation.

32 (c) An applicant shall be at least 18 years old.

1 (d) (1) Except as provided in paragraph (2) of this subsection, an applicant
2 shall:

3 (i) have completed successfully a course in real estate approved by
4 the Commission for real estate brokers THAT INCLUDES A 3 CLOCK HOUR COURSE IN
5 REAL ESTATE ETHICS APPROVED BY THE COMMISSION; and

6 (ii) have been a licensed real estate salesperson and have actively
7 and lawfully provided real estate brokerage services for at least 3 years.

8 (2) If an applicant is qualified to practice law in the State, the
9 Commission shall waive the educational and experience requirements of paragraph
10 (1) of this subsection for that applicant.

11 17-315.

12 (a) (1) ~~To qualify for renewal of a license under this subtitle, a licensee shall~~
13 ~~complete:~~

14 (i) ~~in the license term that begins in 1992, at least 12 clock hours of~~
15 ~~continuing education instruction, as provided in this section, during each 2-year~~
16 ~~license term; and~~

17 (ii) ~~in and after the license term that begins in 1996,] COMPLETE~~
18 ~~at least 15 clock hours of continuing education instruction IN AND AFTER THE~~
19 ~~LICENSE TERM THAT BEGINS IN 1996, as provided in this section, during the~~
20 ~~preceding 2-year term.~~

21 (2) ~~Notwithstanding paragraph (1) of this subsection:~~

22 (i) ~~a licensee who is granted a license during the second year of a~~
23 ~~license term may renew a license for the next full term without complying with the~~
24 ~~continuing education requirements of this section; and~~

25 [(ii) a licensee who has been licensed for 10 years or more may
26 satisfy the continuing education requirements and renew a license for the next full
27 term by completing 6 clock hours of continuing education instruction that outlines
28 relevant changes that have occurred in federal, State, or local laws, or any
29 combination of those laws.]

30 (H) ~~A LICENSEE MAY SATISFY THE CONTINUING EDUCATION~~
31 ~~REQUIREMENTS AND RENEW A LICENSE FOR THE NEXT FULL TERM BY COMPLETING~~
32 ~~7.5 CLOCK HOURS OF CONTINUING EDUCATION INSTRUCTION AS PROVIDED FOR IN~~
33 ~~SUBSECTION (B) OF THIS SECTION IF THE LICENSEE:~~

34 1. ~~POSSESSES A GRADUATE DEGREE IN LAW FROM AN~~
35 ~~ACCREDITED LAW SCHOOL; OR~~

36 2. ~~POSSESSES A GRADUATE DEGREE IN REAL ESTATE FROM~~
37 ~~AN ACCREDITED COLLEGE OR UNIVERSITY.~~

1 (3) A LICENSEE HOLDING A LICENSE FROM ANOTHER STATE MUST
 2 COMPLETE AT LEAST 15 CLOCK HOURS OF CONTINUING EDUCATION INSTRUCTION
 3 DURING EACH 2-YEAR LICENSE TERM AND MAY SUBSTITUTE CLOCK HOURS OF
 4 CONTINUING EDUCATION INSTRUCTION EARNED IN ANOTHER STATE, IF THOSE
 5 CLOCK HOURS:

6 (†) ARE APPROVED AS REAL ESTATE CONTINUING EDUCATION IN
 7 THAT STATE; AND

8 (‡) MEET THE DISTRIBUTION REQUIREMENTS OF SUBSECTION
 9 (B)(2) OF THIS SECTION.

10 (4) THE COMMISSION SHALL GRANT THE SUBSTITUTION OF CLOCK
 11 HOURS IN PARAGRAPH (3) OF THIS SUBSECTION ONLY IF THE OTHER STATE PERMITS
 12 THE SUBSTITUTION OF CLOCK HOURS OF CONTINUING EDUCATION INSTRUCTION
 13 APPROVED BY THE COMMISSION FOR A LICENSEE OF THIS STATE.

14 (b) (1) The Commission shall approve the form, substance, and, as provided
 15 under paragraph (2) of this subsection, subject matter of all continuing education
 16 courses.

17 (2) The subject matter approved by the Commission shall:

18 (i) relate to real estate ~~OR TO A SUBJECT MATTER INTENDED TO~~
 19 ~~ASSIST A LICENSEE IN PROVIDING REAL ESTATE BROKERAGE SERVICES TO THE~~
 20 ~~PUBLIC IN A MORE EFFICIENT AND EFFECTIVE MANNER INCLUDING COURSES~~
 21 ~~APPROVED BY THE COMMISSION INTENDED TO ASSIST A LICENSEE IN PROVIDING~~
 22 ~~REAL ESTATE BROKERAGE SERVICES TO THE PUBLIC;~~

23 (ii) every 2 years, include at least one [3-hour] 3 CLOCK HOUR
 24 course that outlines relevant changes that have occurred in federal, State, or local
 25 laws and regulations, or any combination of those laws and regulations; [and]

26 (iii) every 2 years, include at least one 1.5 clock hour course that
 27 outlines federal, State, and local fair housing laws and regulations, including fair
 28 housing advertising; AND

29 (IV) AT AN INTERVAL TO BE DETERMINED BY THE COMMISSION,
 30 NOT TO EXCEED 10 YEARS EVERY 2 YEARS, INCLUDE AT LEAST ONE 3 CLOCK HOUR
 31 ETHICS COURSE THAT INCLUDES THE MARYLAND CODE OF ETHICS AND A
 32 DISCUSSION OF THE PRACTICES OF FLIPPING AND PREDATORY LENDING.

33 (3) {The} ~~EXCEPT FOR THE~~ requirement of paragraph (2)(iii) of this
 34 subsection {does not apply to}, a licensee who provides real estate brokerage services
 35 solely in connection with nonresidential real estate ~~MAY SATISFY CONTINUING~~
 36 ~~EDUCATION REQUIREMENTS AND RENEW A LICENSE FOR THE NEXT FULL TERM BY~~
 37 ~~COMPLETING 15 CLOCK HOURS OF INSTRUCTION, UNLESS THE LICENSEE MEETS~~
 38 ~~THE REQUIREMENTS OF SUBSECTION (A)(2)(II) OF THIS SECTION.~~

1 (4) To be acceptable for credit as a continuing education course under
2 this section, the course shall cover 1 or more topics approved by the Commission.

3 (c) (1) Continuing education courses may be conducted by:

4 (i) the Maryland Association of Realtors or its member boards;

5 (ii) the Real Estate Brokers of Baltimore [City], Inc.;

6 (iii) any similar professional association; or

7 (iv) an educational institution approved by the Commission.

8 (2) Continuing education courses shall be taught by a qualified
9 instructor who is experienced in the real estate industry.

10 (3) On or before January 1, 2003, the Commission shall adopt
11 regulations that provide for the conduct of continuing education instruction courses
12 by:

13 (i) remote access satellite;

14 (ii) closed-circuit video;

15 (iii) computer, including transmission over the Internet and the
16 World Wide Web;

17 (iv) home study; and

18 (v) any other delivery system approved by the Commission.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2004.